



THE STATE OF ARIZONA
GAME AND FISH DEPARTMENT

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GOVERNOR
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CHAIRMAN,
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DIRECTOR
LARRY D. VOYLES
DEPUTY DIRECTORS
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ROBERT D. BROSCHEID



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April 22, 2009

AZ CORP COMMISSION
DOCKET CONTROL

E-000004-09-0066

Chairman Kristin K. Mayes
Arizona Corporation Commission
Commissioners Wing
1200 W. Washington St. - 2nd Floor
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

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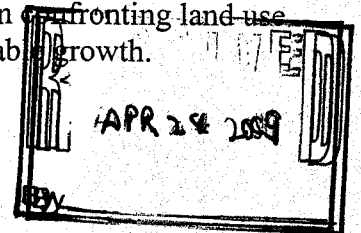
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Dear Chairman Mayes,

The Arizona Game and Fish Department (Department) appreciates the opportunity to coordinate with the Arizona Corporation Commission (ACC) in supporting Arizona's economic growth while providing information and expertise to lessen negative impacts to wildlife and wildlife habitat. As you know, Arizona is a state possessing extraordinarily rich wildlife resources, providing a multi-billion dollar economic impact (National Survey of Fishing, Hunting and Wildlife-Associated Recreation). The Department, under the authority of the Arizona Game and Fish Commission and Title 17 of the Arizona Revised Statutes, has jurisdiction and trust responsibilities for Arizona's wildlife resources. Finding an appropriate balance between protecting our rich wildlife resources and capitalizing on opportunities to sustain and support economic growth in Arizona is a priority for the Department and the Corporation Commission.

It is the policy (attached) of the Arizona Game and Fish Commission that the Department develop adequate compensation plans for actual or potential habitat losses resulting from land and water projects. Habitat compensation plans will seek compensation in the spirit of the Commission's wildlife and wildlife habitat compensation policy, where feasible. Among factors deemed by the Commission to be critically important to Arizona's wildlife future are potential impacts to special category species and/or economically important wildlife species, as well as issues which reflect the value, quantity, and quality of habitats which may be impacted by proposed projects.

The Department asks the Arizona Corporation Commission to consider and adopt the attached policy for all approved projects. This would serve the public of Arizona by conserving Arizona's wildlife and wildlife habitat while promoting growth and development within our great state. Currently, Arizona excels among the western states in the development of wildlife and wildlife habitat data related to resolving conflicts between development and wildlife resources, favoring a full-spectrum of economic and lifestyle benefits for the citizens of Arizona. The degree to which this data set eliminates the ambiguity so often faced by business interests when confronting land use issues, has the potential to put Arizona in the forefront of progressive, sustainable growth.



Chairman Kristin K. Mayes

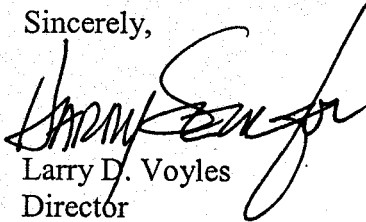
April 22, 2009

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Examples of how this policy could be applied include, but aren't limited to: 1) a one-to-one (1:1) acre replacement of equivalent habitat for those species identified through our State Wildlife Action Plan; 2) an equivalent improvement of habitat lost through habitat improvements such as riparian restoration, grassland restoration, or upland restoration; 3) the development, acquisition, and/or protection of wildlife habitat corridors through the acquisition of real property between two areas of "protected" lands to enable free movement of wildlife species between the two areas.

The Department looks forward to the ACC's response in regards to further coordination on wildlife and wildlife habitat conservation.

Sincerely,

A handwritten signature in black ink, appearing to read "Larry D. Voyles", is written over the printed name and title.

Larry D. Voyles
Director

LDV:ja

Attachment



12.3 Wildlife and Wildlife Habitat Compensation

Effective: 06/04/1994

Department Policy: It shall be the policy of the Department to develop adequate compensation plans for actual or potential habitat losses resulting from land and water projects in accordance with State and Federal laws. Habitat compensation plans will seek compensation at a 100% level, where feasible, and will be developed using habitat resource category designations. See Commission Policy A2.16.

Authority: The Director of the Arizona Game and Fish Department is authorized under A.R.S. Title 17-211, Subsection D, to perform the necessary administrative tasks required to manage the wildlife resources of the State of Arizona. Pursuant to those duties and in accordance with federal environmental laws and resource management acts, such as the National Environmental Policy Act, Fish and Wildlife Coordination Act, and Endangered Species Act, the Director is further charged with cooperating in the determination of potential impacts to Arizona's wildlife resources resulting from federally funded land and water projects. In addition, a Commission M.O.U. assigns similar responsibilities for evaluating proposed projects on lands administered by the State Land Department. An integral part of this process is the development of adequate compensation measures aimed at eliminating or reducing project-associated impacts.

Procedure: Criteria used to identify general compensation goals are as follows:

A. Resource Category I.

1. **Designation Criteria.** Habitat in this category are of the highest value to Arizona wildlife species, and are unique and/or irreplaceable on a statewide or ecoregion basis.
2. **Compensation Goal.** No loss of existing in-kind habitat value.
3. **Guideline.** The Department will recommend that all potential losses of existing habitat values be prevented. Insignificant changes that would not result in adverse impacts to habitat values may be acceptable provided they will have no significant cumulative impact.
4. **Habitat Types.** Habitat types associated with Resource Category I shall include, but not limited to the following examples:
 - a. Perennial Stream Habitats
 - b. Wetlands and Riparian habitats of at least one acre in size, which are associated with perennial waters. Biotic

communities included in this classification follow descriptions provided in Brown (1982) and Henderson and Minckley (1984).

- c. Key utilization areas for species listed or proposed for listing under the Endangered Species Act of 1973 as Threatened or Endangered and Endangered State Threatened Native Wildlife species.

B. Resource Category II.

1. **Designation Criteria.** Habitats in this category are of high value for Arizona wildlife species and are relatively scarce or becoming scarce on a statewide or ecoregion basis.
2. **Compensation Goal.** No net loss of existing habitat value, while minimizing loss of in-kind value.
3. **Guideline.** The Department will recommend that all potential losses of Resource Category II habitat values be avoided or minimized. If significant losses are likely to occur, the Department will recommend alternatives to immediately rectify, reduce, or eliminate these losses over time.
4. **Habitat Types.** Habitat types associated with Resource Category II shall include, but not limited to, the following examples:
 - a. Key utilization areas for antelope and bighorn sheep.
 - b. Key utilization areas for Threatened and Candidate State Threatened Native Wildlife species, candidate species for federal listing as Threatened or Endangered (Categories I and 2).
 - c. Actual or potential reintroduction sites for species that are listed as Extirpated or Endangered on the State Threatened Native Wildlife list.
 - d. Blue ribbon fishing areas (i.e., Lee's Ferry and Becker Lake).
 - e. Isolated mountain ranges provided Subalpine-coniferous forest habitats (i.e., Pinaleno Mountains).
 - f. State and federally operated game preserves, refuges or wildlife areas.
 - g. Montane meadows.

C. Resource Category III.

1. **Designation Criteria.** Habitats in this category are of high to medium value for Arizona wildlife species, and are relatively abundant on a statewide bases.
2. **Mitigation Goal.** No net loss of habitat value.
3. **Guidelines.** The Department will recommend ways to minimize or avoid habitat losses. Anticipated losses will be compensated by replacement of habitat values in-kind, or by substitution of high value habitat types, or by increased management of replacement habitats, so that no net loss occurs.
4. **Habitat Types Involved.** Habitats in this category are of a natural, undisturbed condition or they involve



bodies of water of economic importance and shall include, but not be limited to, the following examples:

- a. Chihuahuah, Great Basin, Mohave, and Sonoran Desert habitat types.
- b. Desert-grasslands and Chaparral zones.
- c. Oak and coniferous woodlands and coniferous forests.
- d. Reservoir habitats.

D. Resource Category IV.

1. **Designation Criteria.** Habitats in this category are of medium to low value for Arizona wildlife species, due to proximity to urban developments or low productivity associated with these lands.
2. **Mitigation Goal.** Minimize loss of habitat value.
3. **Guideline.** The Department will recommend ways to avoid or minimize habitat losses. Should losses be unavoidable, the Department may make a recommendation for compensation, based on the significance of the loss.
4. **Habitat Types Involved.** Habitat types associated with Resource Category IV shall include, but not be limited to, the following examples:
 - a. Agricultural Lands.
 - b. Undeveloped urban areas (i.e., land proximal to waste water treatment facilities, municipal mountain preserves, and undeveloped lands in proximity to municipal and industrial areas).

Habitats exhibiting low wildlife productivity as a result of man's influence.



A2.16 Wildlife and Wildlife Habitat Compensation

Effective: 06-04-1994

It is the policy of the Arizona Game and Fish Commission that the Department shall seek compensation at a 100% level, when feasible, for actual or potential habitat losses resulting from land and water projects. Further, habitat compensation plans developed in accordance with Federal and State law, will utilize resource category designations as stipulated in the Department's Wildlife and Wildlife Habitat Compensation Procedures. Among factors deemed important by the Commission are potential impacts to special category species and/or economically important wildlife species as well as issues which reflect the value, quantity, and quality of habitats which may be impacted by proposed projects.

Note: Former Commission Policy J11, Eff. 6/26/87, renumbered to 12.7 on 01-01-1991; reviewed without change by the Commission on 03-15-1991, and renumbered to A2.16. Amended by the Commission in open meeting on 6-4-1994.